

## Message Text

LIMITED OFFICIAL USE

PAGE 01 LUXEMB 00670 030559Z  
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 EB-08 FRB-03 INR-10  
NSAE-00 ICA-11 TRSE-00 XMB-02 OPIC-03 SP-02  
LAB-04 SIL-01 OMB-01 L-03 H-01 NSC-05 SS-15  
STR-07 CEA-01 PA-01 DOE-15 SOE-02 /113 W  
-----007805 030618Z /17

R 301348Z JUN 78  
FM AMEMBASSY LUXEMBOURG  
TO SECSTATE WASHDC 6477  
INFO USDOC WASHDC  
AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY LONDON  
AMEMBASSY PARIS

LIMITED OFFICIAL USE LUXEMBOURG 0670

EMBASSY ALSO FOR EEC

E.O. 11652: NA  
TAGS: ENIV, EFIND, LU  
SUBJ: SHUTDOWN OF GENERAL MOTORS OPERATIONS IN  
LUXEMBOURG

REF: LUXEMBOURG 0459

1. MR. JEAN KAYSAN, GENERAL MOTORS MANAGER IN  
LUXEMBOURG, CALLED TODAY TO INFORM THE EMBASSY  
THAT GM HAS INFORMED PRIME MINISTER THORN OF  
ITS DECISION TO CLOSE DOWN OPERATIONS IN  
LUXEMBOURG. KAYSAN SAID THAT GM WOULD ISSUE  
A PRESS STATEMENT ON THE CLOSURE AFTERNOON JUNE 30 (SEE  
PARA 5 BELOW). KAYSAN SAID THAT PRIME MINISTER  
THORN WAS UNHAPPY THAT GM WOULD LEAVE LUXEMBOURG  
BUT WAS OBJECTIVE AND COURTEOUS THROUGHOUT THE  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LUXEMB 00670 030559Z

CONVERSATION. KAYSAN ADDED THAT THORN PLANS TO  
MAKE ONE LAST-DITCH EFFORT TO EXPLAIN TO GM  
THE SERIOUS ECONOMIC AND POLITICAL CON-  
SEQUENCES UOF ITS DECISION TO LEAVE LUXEMBOURG  
AND WILL CALL GM'S VICE PRESIDENT FOR  
EUROPE LATER AFTERNOON OF JUNE 30.

2. KAYSAN PREDICTED THAT THORN'S CALL TO DETROIT WOULD BE FUTILE. FOR REASONS EXPLAINED IN THE REFTTEL, GM HAS REACHED AN IRREVOCABLE DECISION THAT IT CANNOT CONTINUE OPERATIONS HERE. MOREOVER, KAYSAN ADDED, GM HAS STUDIED IN GREAT DETAIL THE POSSIBILITIES OF REPLACING ITS OPERATIONS IN LUXEMBOURG WITH SOME OTHER GM DIVISION, BUT TO NO AVAIL. KAYSAN SAID GM WILL PHASE OUT BY DECEMBER 31.

3. KAYSAN ALSO SAID THAT SO FAR LABOR UNION REPRESENTATIVES HAVE BEEN OBJECTIVE AND UNEMOTIONAL IN DISCUSSING THE PROBLEM. OVER THE PAST WEEKS, THE UNIONS HAVE BEEN KEPT INFORMED OF THE LIKELIHOOD OF THE PLANT CLOSING DOWN AND ARE RESIGNED TO WORKING OUT THE BEST POSSIBLE PHASE-OUT ARRANGEMENTS. KAYSAN SAID GM WILL TRY TO FIND OTHER JOBS FOR THE 120 LUXEMBOURGERS (OF A TOTAL WORK FORCE OF 325 EMPLOYEES) BUT THAT THERE WOULD CERTAINLY BE A LARGE NUMBER OF LAYOFFS.

4. COMMENT: WE EXPECT PUBLIC REACTION TO THE GM DECISION WILL BE ONE OF DISAPPOINTMENT RATHER THAN BITTERNESS. THE GM CLOSURE HAS BEEN FORESHADOWED IN PRESS AND PUBLIC STATE-LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LUXEMB 00670 030559Z

MENTS FOR THE PAST SIX MONTHS AND THE FACT THAT THE PLANT HAS BEEN LOSING MONEY STEADILY SINCE 1976 IS WIDELY KNOWN. NONETHELESS, GM WILL BE THE FIRST AMERICAN MULTINATIONAL TO CLOSE SHOP IN LUXEMBOURG AND THE DECISION WILL ADD TO PRIME MINISTER THORN'S MOUNTING ECONOMIC AND POLITICAL PROBLEMS(LUXEMBOURG 322).

5. GM PRESS RELEASE FOLLOWS:

QUOTE: VERY RELUCTANTLY AND REGRETFULLY A DECISION HAS BEEN TAKEN BY GENERAL MOTORS, THAT ECONOMIC CONDITIONS MAKE IT NECESSARY TO DISCONTINUE THE PRODUCTION OF TEREX EARTHMOVING EQUIPMENT IN LUXEMBOURG. OPERATIONS WILL BE PHASED OUT OVER THE NEXT SIX MONTHS. MANY EFFORTS HAVE BEEN MADE IN THE PAST TO BRING ALTERNATE EMPLOYMENT INTO THE FACTORY AT BASCHARAGE, UNFORTUNATELY NONE OF THEM SUCCESSFUL. MORE EFFORT WILL CONTINUE TO BE EXERTED BOTH WITHIN GENERAL MOTORS AND OUTSIDE, BUT NOTHING DEFINITE IS ON THE HORIZON AS OF NOW. END QUOTE. LOWENSTEIN

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CLOSURE OF OFFICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 jun 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978LUXEMB00670  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780273-0900  
**Format:** TEL  
**From:** LUXEMBOURG  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t1978064/aaaaacsv.tel  
**Line Count:** 115  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** d19f4685-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 LUXEMBOURG 459  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2280341  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SHUTDOWN OF GENERAL MOTORS OPERATIONS IN LUXEMBOURG  
**TAGS:** EINV, EIND, LU, GENERAL MOTORS  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/d19f4685-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014